

C. DUKES SCOTT
EXECUTIVE DIRECTOR

P.O. Box 11263
Columbia, S.C. 29211



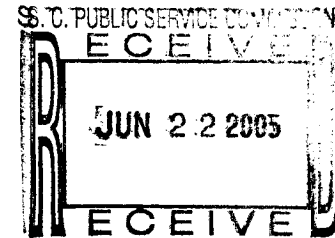
Phone: (803) 737-0800
Fax: (803) 737-0801

DAN F. ARNETT
CHIEF OF STAFF

174538
RECEIVED
06/21/2005

June 21, 2005

Catherine D. Taylor, Esquire
SCANA Corporation
Legal Department
1426 Main Street, 13th Floor
Columbia, SC 29201



Belton T. Zeigler, Esquire
Haynsworth Sinkler & Boyd, P.A.
Post Office Box 11889
Columbia, SC 29211

Mitchell Willoughby, Esquire
Willoughby & Hoefler, P.A.
Post Office Box 8416
Columbia, SC 29202

Paige Gossett, Esquire
Willoughby & Hoefler, P.A.
Post Office Box 8416
Columbia, SC 29202

Re: Application of South Carolina Electric and Gas Company for Adjustments in the
Company's Natural Gas Rate Schedules and Tariffs
Docket No.: 2005-113-G

Dear Counselors:

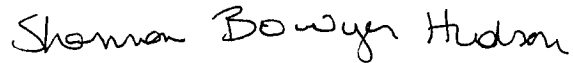
The South Carolina Office of Regulatory Staff ("ORS") anticipates hiring at least one expert witness to testify in the above-referenced matter and is currently considering among several professionals to appear in this capacity. As you are aware, S.C. Code Ann. §58-4-100 allows the ORS Executive Director to hire expert witnesses to appear before Commission proceedings. The statute is set forth in full below:

To the extent necessary to carry out regulatory staff responsibilities, the executive director is authorized to employ expert witnesses and other professional expertise as the executive director may consider necessary to assist the regulatory staff in its participation in commission proceedings. The compensation paid to these persons may not exceed compensation generally paid by the regulated industry for such specialists. The compensation and expenses therefore must be paid by the public utility or utilities participating in the proceedings upon order of the commission or from the regulatory staff's budget. If paid by the public utility or utilities, the compensation and expenses must be treated by the commission, for ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures

incurred by utilities in the presentation of their cases before the commission. An accounting of compensation and expenses must be reported annually to the review committee, the Speaker of the House of Representatives, and the Chairman of the Senate Judiciary Committee.

Pursuant to the above statute, ORS plans to seek compensation for its expert witness(es) from SCE&G. ORS will provide SCE&G with the necessary information as it completes its expert witness selection and as it becomes available. If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Shannon Bowyer Hudson".

Shannon Bowyer Hudson

cc: Charles L.A. Terreni, Esquire (w/encl)
David A. McCormick, Esquire (w/encl)
Scott Elliott, Esquire (w/encl)
Frank Knapp, Jr. (w/encl)